

ALCATEL

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Notice of Ex Parte Communication

October 8, 2002

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: **In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket No. 01-338;
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98;
Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147;**

Secretary Dortch:

Pursuant to Sections 1.1206(b)(1) and (b)(2) of the Commission's rules, Mr. Jay Fausch and I of Alcatel USA, Inc., made an oral and written ex parte presentations to Mr. Matthew Brill of Commissioner Abernathy's Office. In this meeting, Alcatel presented the *Staff* with the attached two (2) page document that outlines several of the positions of Alcatel in the above entitled dockets. The meeting focused on the Commission's unbundling rules and how these rules impact the deployment of broadband capable networks. Specifically, Alcatel requested the Commission recognize that the proper market for analysis is the broadband market as whole, that the new network investments in this market be exempt from the unbundling rules, and the Commission exercise the preemption authority delegated to it in the Communications Act.

If you have any questions, please feel free to contact me at 202-715-3709. Thank you

Sincerely,



Paul W. Kenefick

Attachment

cc: Matthew Brill, Esq.

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Who is Alcatel?

- Alcatel is a telecommunications and IT equipment manufacturer that designs, develops, and builds networks enabling carriers and service providers to deliver a wide variety of content across the globe.
- Alcatel operates in more than 130 countries. 49% of its business is in Europe, 17% in the U.S., 18% in Asia, and 16% in the rest of the world.
- Alcatel had revenue of \$25 billion in 2001, and it has approximately 80,000 employees.
- Alcatel is the worldwide and U.S. leader in DSL equipment. Worldwide, Alcatel ships 38% of all DSL ports, which is three times more than its nearest competitor. In North America, Alcatel's market share is 78%, which is ten times that of its nearest competitor.
- Alcatel is also a leader in fiber-to-the-user ("FTTU") technology. Alcatel recently announced contracts to deploy its FTTU technology with SBC in California, in Bristol, VA, and in Chelan County, WA.

Alcatel Before the FCC

- Alcatel is a founding member of the High Tech Broadband Coalition ("HTBC"), which is an ad hoc coalition of a several associations and corporations that participate in all non-carrier aspects of broadband service.
- Alcatel's Chief Technology Officer (Niel Ransom) is a member of the FCC's Technological Advisory Committee. Alcatel has provided tutorials at the FCC on several topics, including DSL technology and Broadband Passive Optical Network ("BPON").
- Alcatel has filed comments in several Commission proceedings, including the §706 Inquiries, the Triennial Review, the Broadband Nondominance Proceeding, and the Wireline Broadband Proceeding.

Alcatel Advocates:

- The Commission recognize that the proper market for analysis is the broadband market as whole, rather than separate markets for DSL services or for cable modem services. This fact has been acknowledged in the Commission's §706 reports as well as in the USTA decision. Intermodal competition, not intramodal, is driving deployment and investment in the broadband market.
- The Commission adopt the position of the HTBC, which calls for an unbundling exemption on all new broadband facilities deployed by the ILECs on the customer side